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Canada

Food Service - Hotel Restaurant Institutional

An Updated Look at Canada's Hotel, Restaurant and Institutional Sectors

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Report Highlights:

Canada's restaurant and food service industry plays a key role in Canada's economy. With over C\$60 billion in sales, the food service industry accounts for nearly 4.0 percent of Canada's gross domestic product. It also employs over one million people and accounts for 6.4 percent of Canada's workforce. With 80,800 establishments, including restaurants, cafeterias, snack bars, pubs, or caterers, the food service industry generates investments, jobs, tourism, and a sense of community in cities and towns across Canada. The following report is an updated version of FAS Canada's report on the Hotel, Restaurant and Institutional Sectors from 2010.

SECTION I: MARKET SUMMARY**Market Overview**

Canada's restaurant and food service industry plays a key role in Canada's economy. With over C\$60 billion in sales, the food service industry accounts for nearly 4.0 percent of Canada's gross domestic product. It also employs over one million people and accounts for 6.4 percent of Canada's workforce. With 80,800 establishments, including restaurants, cafeterias, snack bars, pubs, or caterers, the food service industry generates investments, jobs, tourism, and a sense of community in cities and towns across Canada.

In addition, Canada's food service industry also indirectly employs approximately 210,000 people, including product and service providers. It is the fourth-largest industry employer in Canada, employing more people than agriculture, forestry, automotive manufacturing and mining, oil, and gas extraction combined. Forty-three percent of members of the Canadian work force between the ages of 15 and 24 are employed in this sector, accounting for 462,000 jobs. Every dollar spent at a restaurant creates an additional \$1.85 of spending in the rest of the economy, a value-add well above the average for other industries, and every one million dollars spent at a restaurant creates nearly 27 jobs, making food service one of the countries' top job creators.

Following a tough year in 2009, when real food service sales fell by an estimated 4.7 percent, the beginning of a recovery in Canada's economy combined with rising disposable income helped to moderately improve food service sales in 2010. Sales grew by one per cent to reach C\$61 billion. In the first three quarters of 2011, food service sales have increased by 3.5 percent, however when inflation is taken into account real growth is 0.7 percent. By the end of 2011, it is expected that consumers' real disposable income will have increased by only 1.4 percent, combined with increased interest rates and rising consumer debts, this may restrict some sales growth. Despite rising food service sales, the industry is still expected to lose market share as more Canadians decide to eat at home. The food service share of total food dollar fell slightly to 37.6 percent in 2010 as competition from pre-packaged and pre-cooked meals from grocery stores continues to post impressive sales.

Table: U.S. Agricultural Exports to Canada 2005-2010

Year	U.S. Agricultural, Fish, & Forestry Products Export (millions of U.S. dollars)	Consumer-oriented Agricultural Products Export (millions of U.S. dollars)
2005	13,364	8,129
2006	14,818	9,285
2007	17,038	10,652
2008	19,263	12,016
2009	18,209	11,937
2010	19,801*	13,022*

Source: BICO Report

* Denotes Highest Export Levels Since CY1970

Food Service Industry Outlook

In 2010, all sectors of the foodservice industry saw a small recovery after facing shrinking sales in 2009.

Given the outlook for a slower economy and modest disposable income growth, CRFA is forecasting a moderation in foodservice sales for 2012. Total commercial sales are predicted to expand by 2.9% to \$51.8 billion, following a 3.6% increase in 2011. All segments will post slower foodservice sales growth as consumers rein in discretionary spending. Adjusted for menu inflation of 2.5%, real sales will grow by 0.4%. Given the current degree of uncertainty, foodservice sales could post better-than-expected growth if there is a big improvement in the U.S. economy. However, if the sovereign debt crisis in Europe spreads to other countries, or the American economy remains in the doldrums, we could see weaker foodservice sales growth in 2012.

Table: Performance by Segment (Commercial Food Service)

	2009 Final (Millions of Dollars)	Change '09/'08	2010 Final (Millions of Dollars)	Change '10/'09	2011 preliminary (Millions of Dollars)	Change '11/'10	2012 Forecast (millions of dollars)	Change '12/'11
Full- Service restaurants	\$20,675.00	-6.5%	\$21,164.30	2.4%	\$21,783.81	2.9%	\$22,353.23	2.6%
Limited-Service restaurants	\$20,133.80	-3.3%	\$21,317.90	5.9%	\$22,240.51	4.3%	\$22,909.93	3.0%
Contract and social caterers	\$3,732.80	-9.3%	\$3,978.40	6.6%	\$4,206.61	5.7%	\$4,376.03	4.0%
Drinking places	\$2,554.80	-6.0%	\$2,456.80	-3.8%	\$2,447.51	-0.4%	\$2,454.93	0.3%
TOTAL COMMERCIAL	\$47,096.40	-5.4%	\$48,917.40	3.9%	\$50,678.44	3.6%	\$52,148.11	2.9%
Accommodation food service	\$4,861.00	-19.4%	\$5,128.00	5.5%	\$5,374.00	4.8%	\$5,627.73	4.7%
Other food service ¹	\$6,963.60	-2.3%	\$7,126.50	2.3%	\$7,260.10	1.9%	\$7,473.83	2.9%
TOTAL NON-COMMERCIAL	\$11,824.60	-10.1%	\$12,254.50	3.6%	\$12,634.10	3.1%	\$13,101.56	3.7%
TOTAL FOOD SERVICE	\$58,921.00	-6.4%	\$61,171.90	3.8%	\$63,312.54	3.5%	\$65,249.68	2.9%
Menu Inflation				2.4%		2.8%		2.5%
REAL GROWTH				1.4%		0.7%		0.4%

Source: CRFA, Statistics Canada, fsSTRATEGY Inc., and Pannell Kerr Forster

¹ *Includes Institutional, retail, and other food services*

Food Service Industry Long-term Forecast

Between 2011 and 2014, commercial food service sales in Canada are expected to increase by an average of 3.6 percent per year according to CRFA. This is slightly less than the 4.1 percent average annual growth seen between 2005 and 2008. The slower pace reflects softer increases in disposable income over the coming years due to weaker wage growth. Adjusted for menu inflation, real food service sales will rise by an average of 1.1 percent, roughly matching the pace of population growth. Limited-service restaurants will lead the commercial food service industry with average annual real growth of 1.3 percent between 2011 and 2014, because of the categories focus on convenience and value. Resurgence in Canada's natural resource industries, combined with gains in health care and education, will result in average annual real food service growth of 1.2 percent for caterers from 2011 to 2014. After struggling in 2009, full-service restaurants are expected to grow a solid 1.2 percent over the long term due to higher disposable incomes. Drinking places is the only segment that is expected to post an average annual decline between 2011 and 2014 due to fewer units in the market and weak consumer demand.

Table: Advantages and Challenges for U.S. HRI Food Products in Canada

Advantages	Challenges (<i>Barriers to U.S. Export</i>)
Majority of U.S. products enter Canada duty free under NAFTA.	Dairy and poultry product imports are controlled and limited by a tariff rate quota system.
High quality, consistency, and perception of safety of U.S. products.	Food service industry predisposition to buy Canadian first means a unique competitive advantage is necessary.
Geographical proximity gives U.S. exporters an advantage.	Geographical vastness encourages regional production and distribution.
Familiarity and confidence in Canadian based U.S. hotel, restaurant, and fast food establishments.	Competition from domestic producers and other countries.
Canada's wide ethnic diversity provides broad specialty cuisine opportunities.	Products that benefit by their identification with the United States in some foreign markets do not necessarily possess the same marketing advantage in Canada.
The Canadian dollar is near parity with the U.S. dollar providing a significant competitive boost to U.S. products.	Canadian personal disposable income is less than that of the United States.
Canadian consumers enjoy a high disposable income compared to the rest of the world, coupled with a growing interest in global cuisine.	A sophisticated selection of product is already available in the Canadian market.
U.S. foods match Canadian tastes and expectations.	
Canadian organic food demand exceeds current domestic production stimulating significant imports from the United States.	

SECTION II: ROAD MAP FOR MARKET ENTRY

Entry Strategy

Food product manufacturers from the United States seeking to enter the Canadian marketplace have vast opportunities. Canada is the United States' primary trading partner. More than 61 percent of Canada's manufactured food imports originate from the United States. This is a result of a number of factors, including a convenient shipping corridor and a familiarity between consumer tastes and expectations.

Although Canadians are always on the lookout for new and innovative U.S. products, there are a number of obstacles U.S. exporters must overcome before exporting to Canada. These may include currency, labeling requirements and customs procedures.

Overcoming these obstacles is simple with the right tools. Following are the main steps for U.S. exporters can use to facilitate entry into the Canadian market:

1. Contact your State Regional Trade Group office.
2. Research the competitive marketplace.
3. Locate a broker/distributor/importer.
4. Understand Canadian government standards and regulations that pertain to your product.

1) Contact your State Regional Trade Group

State Regional Trade Groups (SRTGs) are non-profit organizations representing state agricultural promotion agencies that use federal, state and industry resources to promote the export of food and agricultural products within specific states. They can help qualifying exporters to obtain partial reimbursement for some marketing costs.

Food Export USA Northeast	Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont	www.foodexportusa.org
Food Export Association of the Midwest USA	Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin	www.foodexport.org
Southern United States Trade Association (SUSTA)	Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia, the commonwealth of Puerto Rico	www.susta.org
Western United States Agricultural Trade Association (WUSATA)	Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, New Mexico, Oregon, Utah, Washington, Nevada, Wyoming	www.wusata.org

2) Research the Competitive Marketplace

A thorough understanding of consumer trends and needs are required in developing your market strategy. The internet offers a wealth of information for U.S. exporters interested in researching the many aspects and particularities of the Canadian foods and beverage manufacturing sector. Though some consumer data can only be obtained with a fee, there are several industry-specific publications that continuously report on specific developments of interest for U.S. exporters. These publications includes Canadian Grocer (www.canadiangrocer.ca), a magazine that closely follows key developments in the Canadian grocery industry and Food Service and Hospitality (www.foodserviceworld.com), a periodical that continuously offers updated information on the status of the food service industry in Canada.

Sources of information:

Statistics Canada	The official source for Canadian social and economic statistics and products.	www.statcan.gc.ca
Industry Canada	Trade databases.	www.ic.gc.ca
Canadian Restaurant and Foodservices Association	The largest hospitality association in Canada.	www.crfa.ca
Canadian Federation of Independent Grocers	Represents Canada's independently owned and franchised supermarkets.	www.cfig.ca
Consumers' Association of Canada	Represents consumers to all levels of government and to all sectors of society.	www.consumer.ca
Agriculture and Agri-food Canada, Agri-Trade Food Service	Provides information, research and technology policies and programs. Also provides access to statistics. This Ministry is the counterpart to the U.S. Department of Agriculture.	www.agr.gc.ca
I.E. Canada (Canadian Association of Importers and Exporters)	I.E. Canada is a national, non-profit organization committed to providing services to develop and enhance the international trade activity and profitability of importers and exporters.	www.iecanada.com

3) Locate a Broker/Distributor/Importer

It is recommended that most new entrants to the Canadian market secure the services of a broker and/or distributor.

Local representation provides exporters with a domestic advantage to understanding the local, regional and national markets and the opportunities available. Brokers and distributors provide guidance on best business practices, sales contacts, market development, logistics and government regulations. Many also provide merchandising and marketing programs and their volume purchasing power can help reduce retail slotting fees.

The Foreign Agricultural Service offices in Ottawa and Toronto, Canada can provide assistance in locating a broker or distributor. Contacts can be made while exhibiting at USDA endorsed pavilions at SIAL Canada. The office has also assembled a partial list of industry brokers and distributors in a report, Agent and Broker Directory - Central Canada, which can be found on the FAS report website <http://gain.fas.usda.gov>. It is report CA11025 (dated May 6, 2011). In addition, FAS/Canada can develop lists of potential brokers/distributors or buyers in the market.

4) Understand Canadian government standards and regulations that pertain to your product

The Canadian government has multiple acts that govern the importation and sales of foods. Some of the most important ones are:

- Canada Agricultural Products Act and Associated Regulations
- Consumer Packaging and Labelling Act
- Fish Inspection Act
- Food and Drug Act
- Importation of Intoxicating Liquors act
- Meat Inspection Act
- Weight and Measures Act

A more thorough outline of applicable acts and regulations can be found on the Canadian Food inspection Agency's website at: <http://www.inspection.gc.ca/english/reg/rege.shtml>.

The Canadian Food Inspection Agency, Health Canada and the Department of Foreign Affairs and International trade are the main government ministries U.S. exporters can contact for specific information when studying regulations with which they need to comply. Though Canada and the U.S. share many consumer trends, cultural similarities and lifestyles; many regulations differ including nutrition facts, ingredient declarations and health claim labeling regulations.

Government Organizations	Function	Information
Canadian Food Inspection Agency (CFIA)	Government of Canada's regulator for food safety (along with Health Canada), animal health and plant protection.	www.inspection.gc.ca
Canada Revenue Agency	The Canada Revenue Agency (CRA) administers tax laws for the Government of Canada and for most provinces and territories as well as various social and economic benefit and incentive programs delivered through the tax system.	www.cra-arc.gc.ca
Canada Border Services Agency	The Canada Border Services Agency (CBSA) ensures the security and prosperity of Canada by managing the access of people and goods to and from Canada.	www.cbsa.gc.ca
Health Canada	Administers the Food Safety Assessment Program, which assesses the effectiveness of the CFIA's activities related to food safety.	www.hc-sc.gc.ca
Department of Foreign Affairs and International Trade (DFAIT)	The mandate of Foreign Affairs and International Trade Canada is to manage Canada's diplomatic and consular relations and to encourage the country's international trade. DFAIT manages all tariff rate quotas and supplemental import permits for controlled products (primarily dairy and poultry).	www.international.gc.ca
Measurement Canada	Responsible for ensuring the integrity and accuracy of measurement in the Canadian marketplace.	www.ic.gc.ca/eic/site/mc-mc.nsf/eng/Home

For more information on these food labeling regulations and other information useful to U.S. food exporters, refer to the Canada 2011 Exporter Guide) on the FAS website: <http://gain.fas.usda.gov>.

Information exporters need to understand about labeling regulations can be found on the following sites:

Nutrition Labelling Resource Page

www.inspection.gc.ca/english/fssa/labeti/nutrition-pagee.shtml.

The Guide to Food Labeling and Advertising guide can be found at:

<http://www.inspection.gc.ca/english/fssa/labeti/guide/toce.shtml>

In order to better provide information, the CFIA maintains a National Import Service Centre (NISC), which handles telephone inquiries regarding import requirements and inspections in addition to processing import rest documentation and data. The contact information for the NISC is as follows:

December, 2011

7:00 a.m. to 03:00 a.m. (Eastern Time)
Telephone and EDI: 1-800-835-4486 (Canada or U.S.A.)
1-905-795-7834 (local calls and all other countries)
Facsimile: 1-905-795-9658

USDA/FAS Canada endorses and organizes a U.S. pavilion at SIAL Canada every year. The next SIAL Canada show is scheduled for May 9-11, 2012 in Montreal, Quebec.

For further information, please contact:

Office of Agricultural Affairs
Embassy of the United States of America
P.O. Box 866, Station B
Ottawa Ontario

Phone: 613-688-5267
Fax: 613-688-3124
Email: agottawa@fas.usda.gov

Sample Products

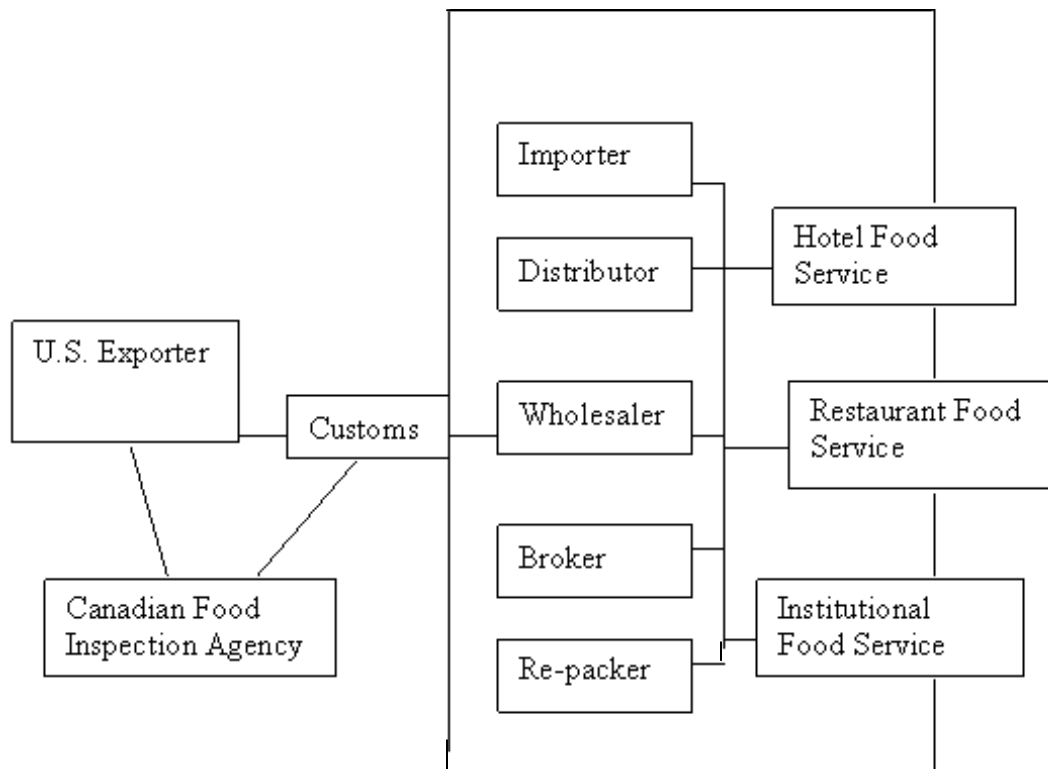
Food samples for research, evaluation, or display at trade shows and food exhibitions are permitted entry into Canada, but may not be offered for commercial sale. For meat, poultry, dairy or egg, and fruits and vegetable samples, it is recommended that exhibitors apply for an import permit and declare that the food is not for resale. The Canadian Food Inspection Agency (CFIA) will direct inquiries for permits to the appropriate office. Please contact the National Import Service Centre listed above for more information.

Entry at the border will be facilitated if U.S. exporters show proof of their food exhibition participation and that the products are of U.S. origin. In general, up to 10 samples are permitted entry, but the weight of each may not exceed 100 kilograms (about 220 pounds). Entries for personal consumption are generally restricted to 20 kilograms. Regulations vary by product. More information is available by searching specific commodities on the Automated Import Reference System (AIRS) available here: http://airs-sari.inspection.gc.ca/Airs_External/Decisions.aspx?lang=1.

Market Structure

Distribution Channel Flow Chart for Market Entry into Canada

December, 2011



Domestic and imported food products in the Canadian market may route directly to the food service establishments but most filter through importers, brokers, distributors, wholesalers and/or re-packers. Smaller restaurants or hotel food service establishments make food service purchases through a wholesaler or distributor. Large chains may choose to purchase directly through customized growing agreements, contract purchasing, a central procurement office, or from a chain-wide designated distributor. Many Canadian food service establishments purchase the majority of product through the large food service distributors like Gordon Food Service and Sysco. Specialty and niche products are often purchased through smaller distributors.

Partial Listing of Food Service Brokers and Distributors in Canada

Gordon Food Service 2999 James Snow Parkway North Milton, Ontario, L9T 5G4 Tel: (905) 864-3700 Toll-Free: 1-800-268-0159 Fax: (905) 864-3844 Website: http://www.gfscanada.com	SYSCO SERCA Food Services 21 Four Seasons Place Suite 400 Toronto , Ontario, M9B 6J8 Tel: (416) 234 - 2666 Fax: (416) 234 - 2650 Website: http://www.sysco.com Offices across Canada
Flanagan Foodservice 100 Sasaga Drive Kitchener, Ontario N2C 2G7 Tel: (519) 748-6878 Toll-Free: 1-800-265-6550 Fax: (519) 748-1155 Website: http://www.flanagan.ca	National Importers Inc. 120 – 13100 Mitchell Road Richmond, British Columbia V6V 1M8 Tel: (604) 324-1551 Toll-Free: 1-888-894-6464 Fax: (604) 324-1553 Website: http://www.nationalimporters.com
Inform Brokerage 2286 Holdom Avenue Burnaby, British Columbia V5B 4Y5 Tel: (604) 324-0565 Fax: (604) 324-1292 Website: http://www.informbrokerage.com	

FAS Canada has also assembled a partial list of industry brokers and distributors in a report, Agent and Broker Directory - Central Canada, which can be found on the FAS report website <http://gain.fas.usda.gov>. It is report CA11025 (dated May 6, 2011).

Sub-Sector Profiles

Stand-alone food service locations are the most dominant consumer food service type in Canada according to Euromonitor International. Most Canadians live in suburban areas, where stand-alone outlets are the most popular. In terms of transactions, 71 percent of all food service transactions by value took place in stand-alone locations in 2010, while retail accounted for 7 percent, travel - 12 percent, leisure - 5 percent and lodging - 6 percent.

As the economy recovers, the Canadian food service industry as a whole is projected to see positive growth for a few years in terms of sales, transaction numbers and outlets. In addition to anticipated revival of away-from-home dining, successful food service operators will accommodate several trends which include an ageing population, healthier menus and an increase in demand for exotic and cultural cuisine.

Table: Consumer Food Service Sales by Location: Food Service Value 2005-2010

\$ millions	2005	2006	2007	2008	2009	2010
Stand-alone	31233.7	32666.9	33814.7	34733.1	34554.3	34735.8
Leisure	2167.3	2206.9	2287.6	2311	2265.2	2162.8
Retail	2587.2	2821.2	3042.1	3059.8	3215.7	3310.5
Lodging	4661.1	4698.3	4825.1	4952	4829.3	4830.1
Travel	3184.1	3322.9	3414.9	3490	3481	3615.1
Consumer Food Service	43833.3	45716.2	47384.3	48545.9	48345.4	48654.3

Source: Official statistics, trade associations, trade press, company research, store checks, trade interviews, Euromonitor International estimates

Hotels and Resorts

There were approximately 8,486 star-rated, boutique, and resort hotels with a combined 456,689 rooms in Canada in 2010. Major concentrations of these establishments were in Ontario (131,456 rooms), Quebec (104,583 rooms), British Columbia (79,780 rooms), and Alberta (70,359 rooms). In 2010, Canadian hotels had estimated revenues of about \$3.1 billion coming from food and beverage sale alone. Like many sectors in Canada, the hotel industry was negatively impacted by the recession but is expected to bounce back in the coming years. Full-service restaurants have a strong presence through many types of locations with 20 percent located in lodging locations like hotels. Within the accommodation sector, full-service restaurants are the most popular type as they serve the needs of the leisure and business travelers seeking more formal dining in hotels.

Restaurants

With around 50,997 units and capturing 71 percent of all food service transactions, stand-alone restaurants are the most dominant food service type in Canada. This is led by franchisor Tim Hortons, which has around 3,000 outlets across Canada. With consumers trending towards at home meals to save money, restaurants have had to find creative ways to keep their customer base. The entire Canadian food services sector decreased in terms of sales, outlet, and transaction growth in 2009 mostly due to the effects of the economic recession and began to show slight signs of recovery in 2010. In 2009 and 2010, Canadian consumers tightened budgets and began to treat eating out as a luxury instead of a normal occurrence. Subsequently, many food service operators saw sales weaken. A tough operating environment led to the closure of some outlets, especially independents that had fewer resources to adapt to the changing conditions, and many chained operators curtailed expansion plans.

Various franchisees accounted for the leading share of sales through food service outlets in Canada.

Among the franchisors, Prizm Brandz Inc. captured the top spot with its portfolio including KFC, Pizza Hut, Pizza Hut express, and Taco Bell. However, looking at the Canadian food service landscape from the perspective of global brand ownership, Tim Hortons remains the top food service operator in Canada, ahead of even McDonald's. An iconic name in Canada, Tim Hortons utilizes a variety of marketing strategies to retain and grow its leading position from menu option development, selling Coldstone Creamery ice cream, and pricing to successful campaigns, like "Roll up the Rim to Win" for prizes of cars, cash, computers, and food.

As the recession has made dining out a less frequent activity for Canadian household, consumers are tending to choose the branded or chained variety of restaurant as opposed to the independent. This is due in part to when Canadians go out to eat, they tend to prefer quality and consistency, two factors that chained restaurants provide alongside more competitive menu pricing than independents.

Consumer Foodservice Sales through Standalone: Foodservice Value 2005-2010	2005	2006	2007	2008	2009	2010
C\$ million						
100% Home Delivery Through Standalone	1,396.4	1,474.1	1,563.4	1,642.6	1,660.4	1,699.7
Cafés/Bars Through Standalone	2,930.2	3,178.8	3,371.4	3,465.7	3,450.1	3,603.2
Fast Food Through Standalone	12,522. 0	13,162. 4	13,561. 1	13,876. 3	14,264. 0	14,465. 1
Full-Service Restaurants Through Standalone	13,419. 3	13,871. 3	14,324. 9	14,739. 5	14,197. 2	14,059. 6
Self-Service Cafeterias Through Standalone	524.1	519.9	515.7	529.7	532.3	528.8
Street Stalls/Kiosks Through Standalone	441.7	460.4	478.2	479.3	450.3	379.4
Consumer Foodservice Through Standalone	31,233. 7	32,666. 9	33,814. 7	34,733. 1	34,554. 3	34,735. 8

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

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Table: Leading Chained Consumer Foodservice Brands by Number of Units 2010	Global Brand Owner	Outlets
Tim Hortons	Various franchisees	3,050
Subway	Various franchisees	2,592
Esso Shop	Exxon Mobil Corp	1,698
Petro-Canada	Petro Canada Inc	1,111
Starbucks	Starbucks Coffee Canada Inc	1,072
Mac's	Alimentation Couche-Tard Inc	1,064
McDonald's	Various franchisees	1,029
Couche-Tard	Alimentation Couche-Tard Inc	978
A&W	Various franchisees	720
Dairy Queen	Various franchisees	574
7-Eleven	Various franchisees	495
KFC	Priszm Brandz Inc	458
Pizza Pizza	Various franchisees	446
Quiznos	Various franchisees	436
Husky/Mohawk	Husky Energy Inc	411
McDonald's	McDonald's Restaurants of Canada Ltd	405
Mr. Sub	Various franchisees	354
Second Cup	Various franchisees	349
Boston Pizza	Various franchisees	340
Domino's Pizza	Various franchisees	319
Country Style	Various franchisees	314
Pizza Hut	Priszm Brandz Inc	310
KFC	Various franchisees	292
Yogen Früz	Various franchisees	264
Wendy's	Various franchisees	232
Booster Juice	Booster Juice	230
Little Caesar's Pizza	Various franchisees	212
Mr. Tube Steak	Mr. Tube Steak Canada Ltd	194
Pizza Hut Express	Priszm Brandz Inc	187
Panago	Various franchisees	173
Others	Others	12,458
Total	Total	32,767

Source: Euromonitor International from official statistics, trade associations, trade press, company research, trade interviews, trade sources

Institutional

Institutional food service locations are expected to bring in \$7.3 billion in revenue and account for 12 percent of the total food service market share in 2010. There has been strong expansion in health care and education services which extends into food offerings. Canadian government agencies responsible for these institutions are increasingly contracting out the preparation of meals served. Remote-feeding services, in which meals are prepared and pre-portioned off the premises, have also become more popular in government-run institutions. These new methods pose new logistical challenges and

opportunities for providers of innovative food service solutions. While it is difficult to estimate how much those establishments will spend in the years to come, the general view is that severe cuts in public spending at all levels of government will have a negative impact on demand.

SECTION III. COMPETITION

The Canadian food service industry generally prefers to use Canadian product whenever possible but it is open to new and innovative products whether local or imported. The food service markets in eastern and western Canada have different orientations when it comes to import sourcing. In eastern Canada the product sourcing is a combination of Europe and the United States, with a strong U.S. preference. In the west there is little orientation to Europe and a much closer relationship with U.S. market sourcing.

U.S. dominance in the Canadian market can be attributed to several factors:

- Proximity (90 percent of the Canadian population lives within 100 miles of the U.S. border),
- Similar culture, eating habits and food trends,
- Common restaurant and hotel chains,
- Generally higher levels of food production efficiency in the United States, and
- NAFTA, which resulted in the elimination of import duties for most products.

Barriers to Liberalized International Food & Agricultural Trade

Currently, Canadian imports of dairy and poultry products are severely restricted by tariff rate quotas (TRQ). Canada protects its dairy and poultry industries with a supply managed program allowed by the World Trade Organization (WTO).

With the implementation of the United States – Canada Free Trade Agreement (FTA) and later North America Free Trade Agreement (NAFTA), most tariffs between Canada and the United States (and Mexico) were removed with the exception of those products for which Canada implemented TRQs. Under the TRQ system, imports that are within quota are subject to low or free rates of duty, until the quota limit has been reached. Once quota limits have been reached, over-quota imports are subject to significantly higher Most-Favored-Nation (MFN) rates of duty. The Canadian importer must be in possession of an import permit to import TRQ commodities. At present over-import duties, or MFN rates, on dairy and poultry products can be as much as 300 percent.

The Canadian Restaurant and Foodservices Association (CRFA) is one of the largest business associations in Canada. Since its founding in 1944, CRFA has grown to more than 30,000 members, representing restaurants, bars, cafeterias and social and contract caterers, as well as accommodation, entertainment and institutional food service. CRFA is a member of the Global Alliance for Liberalized Trade in Food and Agriculture, an alliance of 38 organizations that has called on WTO member countries to commit to achieving a comprehensive agreement on agriculture. Member countries are advocating the removal of barriers to further liberalize international food and agricultural trade. The group also promotes the creation of an international trading environment free from trade distortions and unfair trading practices, including the Canadian practices of supply management, which protects Canada's dairy and poultry sector, and adversely impacts U.S. exporters of these products. However,

the Canadian federal government is under domestic pressure from the dairy and poultry sectors, which represents about 10 percent of Canadian farms, to retain the supply management regime.

For more information on Canada's Tariff Rate Quotas (TRQ) for Agricultural Products, visit the Department of Foreign Affairs and International Trade (Export and Import Controls Bureau) web site: www.dfait-maeci.gc.ca/trade/eicb/agric/agric-en.asp

Canada has additional TRQs that affect both the level and tariff rates of imports from non-NAFTA origin of pork, beef and wheat, barley and barley products, but which do not apply to imports of U.S. origin. U.S./Canada beef trade has virtually normalized since the first detections of bovine spongiform encephalopathy (BSE) in North America in 2003. Canada accepts U.S. beef and beef products derived from cattle of all ages. An AMS Export Verification (EV) program is no longer required for the export of beef and beef products to Canada, but because U.S. BSE regulations do not apply to bison or buffalo, meat and meat products derived from these species for export to Canada must be produced under an approved AMS EV program. For additional information see:

<http://www.ams.usda.gov/AMSV1.0/ams.fetchTemplateData.do?template=TemplateP&navID=GradingCertificationandVerification&leftNav=GradingCertificationandVerification&page=LSEVProgram>

Table: Competition in the Canadian Market for U.S. Products

Product Category	Major Supply Sources by Value	Strengths of Key Supply Countries	Advantages/disadvantages of Local Suppliers
EGGS & EGG PRODUCTS DOMESTIC PRODUCTION C\$500 MILLION 2010 IMPORTS: \$74.4 MILLION	<ul style="list-style-type: none"> • USA: 95 percent • China: 3.5 percent • Taiwan: 0.05 percent 	<ul style="list-style-type: none"> • The U.S. egg industry traditionally fills Canada's needs when supply is seasonally low. There were significant increases in U.S. imports following the avian flu outbreaks in British Columbia to both avert shortages in the market and rebuild the hatching egg supply. • The United States has become a supplier of organic eggs to Canada. 	<ul style="list-style-type: none"> • Canada's egg industry operates under supply management, which is designed to encourage domestic production of a sufficient volume of eggs to meet market needs without creating surplus. The market is protected by high tariffs. Today, about 70 percent of Canada's total egg production is sold for the table market, while the remaining 30 percent is used in the manufacturing of value-added food and other products (liquid, frozen or dried form). These supplies are supplemented by imports and a Tariff Rate Quota (TRQ) system. • The Egg Farmers of Canada is promoting omega-3 eggs to address consumer worries about cholesterol in conventional eggs.
FRUITS & VEGETABLES FRESH VEGETABLES:	FRESH VEG.: <ul style="list-style-type: none"> • USA: 66 percent • Mexico: 25 	<ul style="list-style-type: none"> • Canada is the largest foreign buyer of U.S. fruits and vegetables. The U.S. benefits from relatively unimpeded export access into Canada during 	<ul style="list-style-type: none"> • Potatoes, sweet corn, green peas, beans and carrots are the most extensively grown vegetables in Canada. • Canada produces approximately \$2.6 billion in vegetables annually, approximately 30

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Product Category	Major Supply Sources by Value	Strengths of Key Supply Countries	Advantages/disadvantages of Local Suppliers
<p>2010 IMPORTS: \$2.06 BILLION</p> <p>FRESH FRUIT:</p> <p>2010 IMPORTS: \$2.9 BILLION</p> <p>PROCESSED FRUITS & VEG.</p> <p>DOMESTIC PRODUCTION \$1.6 BILLION</p> <p>2010 IMPORTS \$1.6 BILLION</p>	<p>percent</p> <ul style="list-style-type: none"> China: 2.4 percent <p>FRESH FRUIT:</p> <ul style="list-style-type: none"> USA: 47 percent Mexico: 10.8 percent Chile: 10.5 percent <p>PROCESSED FRUITS & VEG.</p> <ul style="list-style-type: none"> USA: 58 percent China: 9 percent Thailand: 3 percent 	<p>Canada's winter or non-growing months.</p> <ul style="list-style-type: none"> Mexico is a competitive supplier of warm climate produce including avocados, mangos and limes. Chile is competitive with a southern hemisphere growing season. Leading exports include grapes and berries. 	<p>percent of which are greenhouse grown.</p> <ul style="list-style-type: none"> Apples are Canada's most widely produced fruit in terms of tonnage but with decreasing prices; blueberries have become the most valuable crop. Seasonality poses a constraint to growers; Canada imports approximately 80 percent of its fresh vegetables between November and June.
<p>SNACK FOODS</p> <p>DOMESTIC PRODUCTION C\$3.4 BILLION</p> <p>2010 IMPORTS: \$1.35 BILLION</p>	<ul style="list-style-type: none"> USA: 58 percent Germany: 5 percent Switzerland: 4 percent 	<ul style="list-style-type: none"> The United States dominates this category, especially with more perishable and bulky products such as chips, which adds significantly to shipping cost. Competitors vary by sub- category with the main competitor and sub category as follows: Mexico, chips; China, salted & roasted nuts; UK, cookies & crackers; Mexico, confection: non chocolate; Switzerland, chocolate; Brazil, cacao. 	<ul style="list-style-type: none"> Canada's snack food imports have doubled between 2004 and 2009. The category includes: chocolate and non-chocolate confectionary, cookies, crackers, potato chips, corn chips, popped popcorn, pretzels, and extruded cheese snacks, seed snacks, mixed nuts, peanuts and peanut butter, and pork rinds. The snack food industry is served primarily by domestic manufacturers; however, domestic market share is decreasing. The rapid increase in imports is due to the strengthening Canadian dollar and a number of new products in the category, many targeted at specific ethnic groups in Canada. Canada does have domestic raw materials for the grain based products but has to import sugar, chocolate, cacao, and nuts for manufacturing. Additionally, it is not competitive on dairy and egg ingredients used in some of the processing.
<p>BREAKFAST CEREALS AND PANCAKE MIX</p> <p>2010 IMPORTS:</p>	<ul style="list-style-type: none"> USA: 94 percent UK: 1 percent Mexico: 1 percent 	<ul style="list-style-type: none"> Breakfast cereal imports have increased over 25 percent between 2004 and 2009. The United States continues to 	<ul style="list-style-type: none"> Sales and manufacturing in Canada is largely controlled by U.S. based companies. Domestic non-U.S. owned competitors tend to be in the

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Product Category	Major Supply Sources by Value	Strengths of Key Supply Countries	Advantages/disadvantages of Local Suppliers
\$404 MILLION		<p>dominate imports although several competitors are growing small niche positions.</p> <ul style="list-style-type: none"> Canada represents the largest market for U.S. breakfast cereals exports accounting for approximately half of U.S. exports. 	<p>specialty or organic breakfast cereal business.</p> <ul style="list-style-type: none"> Latest Statistics Canada data shows that consumption of breakfast cereal grew 38% since 1990.
RED MEAT DOMESTIC PRODUCTION C\$19.8 BILLION 2010 IMPORTS: FRESH, CHILLED OR FROZEN \$1.3 BILLION PREPARED OR PRESERVED \$615 MILLION	<p>FRESH, CHILLED OR FROZEN</p> <ul style="list-style-type: none"> USA: 78 percent New Zealand: 11 percent Australia: 6 percent <p>PREPARED OR PRESERVED</p> <ul style="list-style-type: none"> USA: 93 percent Brazil: 2 percent Thailand: 1 percent 	<ul style="list-style-type: none"> Beef imports fall into two distinct categories. The largest portion of imports is chilled cuts traditionally from the U.S. Midwest, primarily destined for the Ontario region. The other part is frozen manufacturing meat from Australia (for grinding) and New Zealand (for specific manufacturing purposes). South America, except for Uruguay and Chile, remain largely ineligible for entry to Canada due to sanitary reasons. U.S. competitors are limited by a beef quota of 76,409 mt. annually. 	<ul style="list-style-type: none"> Canadian red meat producers have rebounded from the decline in 2009 and show signs of recovery. The industry has worked its way out of the inventory surge from the BSE trade disruption, but exports remain sluggish due in part to a strong Canadian dollar. Canada continues to grow as a key U.S. pork export market. Canadian hog production numbers are in significant decline across the country and U.S. pork imports are increasing due to market structures and the stronger Canadian dollar.
FISH & SEAFOOD DOMESTIC PRODUCTION C\$ 4.9 BILLION 2010 IMPORTS: \$2 BILLION	<ul style="list-style-type: none"> USA: 38 percent China: 16.3 percent Thailand: 16 percent 	<ul style="list-style-type: none"> Two major categories make up approximately half of the imports: Crustaceans (including lobster, crab, shrimp and prawn) imports totaling \$467 million (USA share: 36 percent, Thailand: 18 percent) and fish fillets imports of \$413 million (China: 39 percent, USA: 19 percent, Chile: 18 percent). Fish filleting is labor 	<ul style="list-style-type: none"> Declining ocean fish stocks have led to almost zero growth in fish and seafood catch over the last decade. In total, the capture fishery accounts for 76 percent of total fish and seafood production in Canada. Lobster, crab and shrimp account for approximately two-thirds of landed value. Aquaculture is increasing in importance. Key products include farmed salmon, trout, oysters and clams.

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Product Category	Major Supply Sources by Value	Strengths of Key Supply Countries	Advantages/disadvantages of Local Suppliers
		<p>intensive, which China has capitalized on.</p> <ul style="list-style-type: none"> • Ocean catches have peaked; aquaculture is becoming a more prevalent source of product. China is the top exporter of seafood in the world. (Global Trade Atlas) 	<ul style="list-style-type: none"> • At approximately 9.5 kg per person, Canadian consumption of fish is significantly higher than the U.S. 7.4 kg/person.
FRUIT & VEGETABLE JUICE 2010 IMPORTS: \$622 MILLION	<ul style="list-style-type: none"> • USA: 64 percent • Brazil: 16 percent • China: 6 percent 	<ul style="list-style-type: none"> • The United States leads the largest juice category: fresh orange juice. • Brazil is the leader in frozen orange juice concentrate, the second largest imported juice category, with 79 percent of the import market share. • China's major juice export to Canada is fortified apple juice with 76 percent of this import market share. 	<ul style="list-style-type: none"> • Canada is a major per capita consumer of citrus juices but is unable to grow these products. It will continue to be an exceptional value added market for the United States. • Both Canada and the United States have experienced major penetration by Chinese apple juice due to the major shift of Chinese agriculture toward these labor-intensive crops and processing.
BEVERAGES Waters with and without sweeteners or flavorings (including soft drinks) Domestic Production C\$ 5.9 billion Imports US\$ 658 million Beer Domestic Production C\$8.4 billion Imports US\$610 million	Waters with and without sweeteners or flavorings (including soft drinks) <ul style="list-style-type: none"> • U.S.: 74 percent • France: 7 percent • Italy: 5 percent Beer <ul style="list-style-type: none"> • Netherlands: 21.4 percent • U.S.: 21.2 percent • Mexico: 18 percent 	<ul style="list-style-type: none"> • The United States holds a competitive share in the imported wine market. • France and Italy have been historically strong wine exporters. Combined with Australia, the three countries supplied 59 percent of Canada's imported wine in 2009. 	<ul style="list-style-type: none"> • Canada's system of provincial government liquor monopolies creates extensive and complicated restrictions on introducing products into the market and driving consumer prices significantly above those in the United States. • Canada is strong in beer production, supplying approximately 95 percent of the domestic market, but this share is decreasing. • Imported wine market share have grown much faster than domestic wines. Domestic whites have fared significantly better than reds against imports due to Canada's cooler climate.

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Product Category	Major Supply Sources by Value	Strengths of Key Supply Countries	Advantages/disadvantages of Local Suppliers
Wine Domestic Production C\$ 1.6 billion Imports US\$ 1.7 billion Fermented Beverages Imports US\$ 36 million Spirits Domestic Production C\$ 1 billion Imports US\$ 286 million	Wine <ul style="list-style-type: none"> • France: 22 percent • Italy: 20 percent • U.S.: 16 percent Fermented Beverages <ul style="list-style-type: none"> • U.K.: 40 percent • U.S.: 38 percent • Japan: 8 percent Spirits <ul style="list-style-type: none"> • U.S.: 98 percent • Guyana: 0.08 percent • Mexico: 0.06 percent 		
NUTS 2009 IMPORTS: \$305 MILLION	<ul style="list-style-type: none"> • USA: 54 percent • Turkey: 15 percent • Vietnam 8 percent 	<ul style="list-style-type: none"> • U.S. products, led by peanuts and almonds, are preferred by Canadian importers as it meets Canadian sanitary and phytosanitary standards more consistently than other foreign suppliers. • Turkey is a competitive supplier of hazelnuts. • Vietnam is a competitive supplier of cashew nuts. 	<ul style="list-style-type: none"> • The province of Ontario, which can grow peanuts, has not done so in commercial quantities as the returns are not competitive with other crop alternatives. Similarly British Columbia and other provinces produce small quantities of a number of tree nuts including hazelnuts. In general, Canada is not price competitive. • Health Canada announced in September 2007 that it is reviewing the “may contain” wording on products with potential allergens. As of June 2010 this was still in review. The new label may be more restrictive. U.S. exporters are advised to watch for possible changes.
DAIRY DOMESTIC PRODUCTION C\$16.2 BILLION (2009)	(excluding cheese) <ul style="list-style-type: none"> • U.S.: 59 percent • New Zealand: 18 percent • Germany: 7 percent 	<ul style="list-style-type: none"> • The United States' close proximity to market, speedy delivery, and significant freight advantage has allowed it to be competitive in 	<ul style="list-style-type: none"> • The Canadian dairy market operates under a tightly controlled supply management system, which attempts to match domestic supply with domestic demand while paying producers on a cost of production related formula.

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Product Category	Major Supply Sources by Value	Strengths of Key Supply Countries	Advantages/disadvantages of Local Suppliers
<p>IMPORTS (excluding cheese) US\$267 MILLION (2010)</p> <p>IMPORTS (cheese) US\$ 239 MILLION (2010)</p>	<p>Cheese</p> <ul style="list-style-type: none"> • U.S.: 22 percent • France: 21 percent • Italy: 20 percent 	<p>the small Import for Re-Export Program (IREP) which allows U.S. dairy product to be imported into Canada duty free then used in further processing, provided the product is subsequently exported. As a result, despite the significant trade barriers protecting the Canadian dairy industry, the U.S. maintains the number one import position for fluid milk and whey powder, as well as third in terms of value for imported cheese.</p> <ul style="list-style-type: none"> • The European Union has a distinct advantage in the cheese trade since it holds 66 percent of Canada's cheese quota as a result of the 1994 Agreement on Agriculture (AoA). In 2008, Italy overtook France as Canada's largest imported cheese supplier. • New Zealand has a cost leadership advantage. Low costs of production due to the availability of year-round pastures have helped New Zealand achieve a leading share of world dairy exports; however rising demand is putting upward pressure on prices of New Zealand's exports. New Zealand has an additional advantage with butter imports into Canada as it has been given country specific butter 	<p>This system has tended to price dairy products above prevailing world levels. Imports are controlled under Tariff-rate-quota (TRQ) and over quota imports are subject to high tariffs.</p> <ul style="list-style-type: none"> • American suppliers have taken advantage of Import for Re-export Program (IREP), which allows Canadian processors to import dairy products used in manufacturing provided the product is exported. For example in 2009 Canada allowed for 25,588 mt of fluid milk imports outside the TRQ under the IREP program. The U.S. was the primary beneficiary due to the perishable nature of the product. IREP accounted for 16 percent of total dairy imports in 2009. • Canadian tariff rate quotas stipulate a 50 percent dairy content guideline for imported product, resulting in the creation of ingredients and blend products that are designed to circumvent this guideline. Butter-oil-sugar blends were the first major products to be imported tariff-free, displacing Canadian milk for ice cream. More recently there has been an increase in flavored milks imported as "beverages" and a number of milk proteins which are not captured by the dairy TRQ.

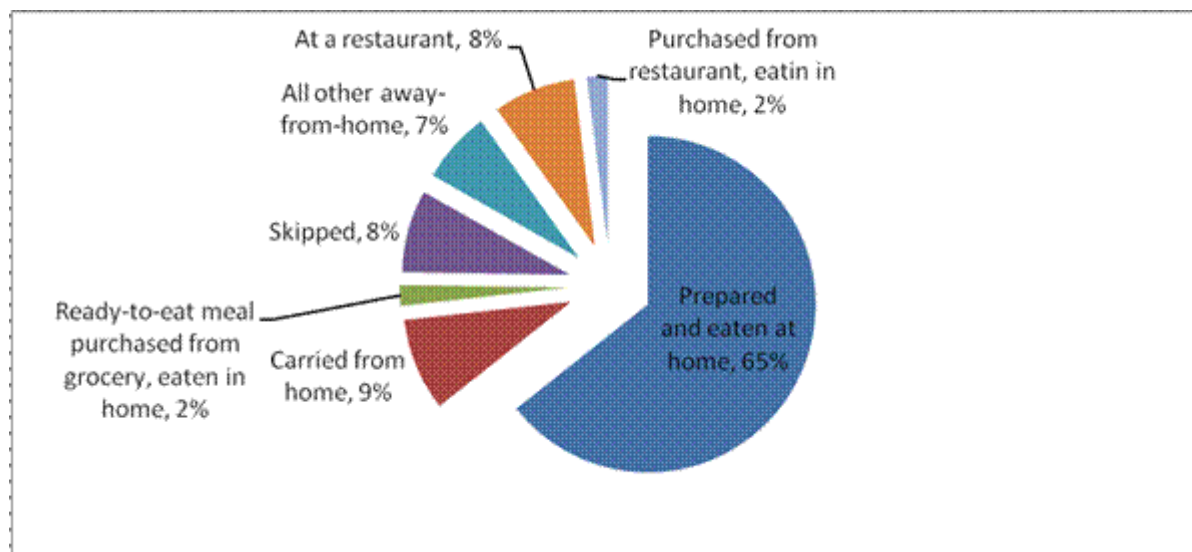
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Product Category	Major Supply Sources by Value	Strengths of Key Supply Countries	Advantages/disadvantages of Local Suppliers
		allocation of 2000 mt. This is due to the AoA and represents 61 percent of Canada's butter import quotas.	
POULTRY DOMESTIC PRODUCTION C\$ 7.5 BILLION 2010 IMPORTS: \$350 MILLION	<ul style="list-style-type: none"> • USA: 82 percent • Brazil: 15 percent • Chile: 2 percent 	<ul style="list-style-type: none"> • The U.S. is the world's largest producer of poultry meat. Brazil is the largest exporter of poultry meat and can land product in Canada at a lower cost compared to the U.S. Brazil has rapidly expanded its share of the Canadian broiler market except with Canadian further processing plants that do not want to take the risk of commingling U.S. and Brazilian origin which would result in being unable to sell processed products to the United States. • U.S poultry can be shipped fresh as well as frozen. • Increases in imports of U.S. chicken are due in part to imports under the Import for Re-export Program (IREP). 	<ul style="list-style-type: none"> • Because of the supply management system, the Canadian poultry industry is tariff regulated with live bird and meat prices well above those of the world market. The Canadian strategy has been to differentiate the product particularly at retail through air chilling and such additional attributes as "vegetable grain fed chicken" However the scale of plant operations in Canada remains relatively small due to the supply managed system. In an effort to mitigate this and to offset difficulty obtaining labor, Canadian processing plants are among the most highly mechanized sectors in Canadian agriculture and employ the latest in robotics. • The Canadian industry has significantly increased surveillance since the avian flu outbreaks in British Columbia in 2009 and has continuously improved bio-security measures.

SECTION IV: BEST PRODUCT PROSPECTS AND TRENDS

Where Canadians Source Their Meals

December, 2011



Source: NET Canada, NPD Group, 2009

Canada's wholesale, retail, and food service industries follow in food products and trends in the United States with acute interest developments. While there are differences in the consumption patterns of selected food items in the two countries, there is a growing demand in Canada for new value-added foods that are market-proven in the United States.

During 2010, a number of consumer-oriented agricultural product categories posted record sales to Canada. The top five categories were fresh vegetables (\$1.58 billion), fresh fruit (\$1.51 billion), snack foods (\$1.5 billion), processed fruits and vegetables (\$1.06 billion), and red meat (\$1.05 billion).

Combined, items in these categories accounted for more than half of total U.S. exports consumer-oriented agricultural product to Canada.

Low Sodium Foods

Canadian consumers are becoming more conscious about the level of sodium in prepackaged processed foods and in restaurant meal foods. A Canadian coalition of health groups is urging the Canadian government to set graduated targets for sodium according to food categories and to monitor food industry's compliance. Figures from Statistics Canada show that the average Canadian consumes in excess of 3,100 mg of sodium a day with the major source identified as processed foods. Health Canada (like the U.S. National Academy of Sciences) has determined that an appropriate daily intake for a healthy adult is 1,200 mg to 1,500 mg of sodium. Canada's Minister of Health announced the establishment of a Sodium Working Group on October 25, 2007, as a first step towards the development of a long-term national strategy to reduce dietary sodium levels. The Sodium Working Group has since set a target of 33 percent reduction in average sodium intake to 2300 mg/day by year 2016. To date sodium reduction remains voluntary for Canadian food industry, but this may change in the future.

More information on sodium in the Canadian diet can be found at: <http://www.hc-sc.gc.ca/fn-an/nutrition/sodium/index-eng.php>

Functional Foods/Superfoods

Functional foods, often referred to as superfoods are gaining wide popularity among Canadian consumers focused on choosing foods that may help prevent disease and aging. Blueberries, almonds, yogurt, kefir, and even dark chocolate are some of the foods that are gaining favor in Canada as the new superfoods. Antioxidants as immune boosting foods are receiving special attention as well.

Organics

Sales of organic foods continue to increase, and Canada is an important market for U.S. organic exports. The United States supplies about 74 percent of the total market in Canada for prepackaged organic foods. Canadian organic production has concentrated on exports, mostly of bulk grains and oilseeds. In Canada, organic food sells at a price premium and sales are forecasted to rise, especially as quality and availability increasingly matches that of conventionally produced foods. The total retail market is estimated to be over \$2 billion in value and growing at 15 – 20 percent per year.

Gluten-Free

With an estimated 1 in every 133 Canadians affected by Celiac Disease, there has been a strong push in Canada to offer more gluten-free food products. Celiac Disease is a medical condition in which the absorptive surface of the small intestine is damaged by gluten. Gluten is a protein commonly found in wheat, rye, triticale, and barley. This has led towards growing popularity in ancient grains that are gluten-free like millet, sorghum, taro, and yams. Other popular gluten-free foods include: soybeans, corn, potatoes, rice, and tapioca. There is also growing evidence that a gluten-free diet may improve other chronic health issues.

Pre-packaged Foods with Low Levels of Trans Fats

Canada was the first country to require that the levels of trans fat in pre-packaged food be included on the mandatory nutrition facts table. That requirement took effect on December 12, 2007. It was intended, in part, to act as an incentive for the food industry to decrease the trans fat content of foods. Health Canada (HC) says that the requirement has clearly had the desired effect as demonstrated by the significant number of products on the Canadian market that have been reformulated. In June 2007, the HC called on industry to voluntarily reduce the levels of trans fat in the Canadian food supply to the lowest levels recommended by the Trans Fat Task Force and announced that the Canadian government would monitor the progress. Canada's Trans Fat Task Force recommended a trans fat limit of 2 percent of the total fat content for all vegetable oils and soft margarines, and a limit of 5 percent of the total fat content for all other foods, including ingredients sold to restaurants. HC has asked the industry to show significant progress to reduce trans fats levels, or it will introduce regulations to ensure the levels are met. HC has been monitoring trans fat levels in Canada and released its fourth report in December 2009. The fourth set of data is the last data set for the two-year Trans Fat Monitoring Program. Currently, Health Canada is analyzing the impact of the two year monitoring program on the average trans fat intake of Canadians to determine the best ongoing approach to reach the targets recommended by the Trans Fat Task Force. The results are available on the HC website at: http://www.hc-sc.gc.ca/fn-an/nutrition/gras-trans-fats/tfa-age_tc-tm_e.html

Snack Foods

Snacking is an important contributor to Canadians' daily food consumption. It is estimated that 67 percent of Canadians eat 1-2 snacks daily. Controlled portions like 100 calorie snacks are growing in popularity. Consumers are seeking both traditional snack foods and healthy options.

Clean Diet

Clean diet is a trend that is feeding from Canadian mothers as primary caregiver for their family and children. A clean diet focuses on eating foods and food ingredients that the average consumer can pronounce. The objective is to reduce the consumption of artificial preservatives and non-natural occurring food products.

Table: Menu Trends

Top 10 Hot Trends on Canadian Menus	Top 10 Up-and-Coming Canadian Menu Trends
1. Locally produce foods & locally inspired dishes	1. Gluten-free beer
2. Sustainability	2. African cuisine
3. Nutrition and health	3. Red rice
4. Organics	4. Organic alcohol
5. Simplicity/back to basics	5. Peruvian cuisine
6. Gluten-free/food-allergy conscious	6. New fabricated cuts of meat
7. Craft beer/microbrews	7. Cooking with tea
8. Artisanal cheeses	8. Beer sommeliers/cicerones
9. Bite size/mini desserts	9. Culinary cocktails
10. Quinoa/ancient grains	10. Tradition ethnic desserts (flan, qatayef etc.)

Source: The above results are based on a survey of professional chefs conducted for the Canadian Restaurant and Foodservice Association, in collaboration with the Canadian Culinary Foundation, by independent market research firm BrandSpark International in February 2011.

SECTION V. POST CONTACT AND OTHER INFORMATION

Foreign Agricultural Service Offices in Canada:

From the U.S.: Office of Agricultural Affairs U.S. Embassy, Canada P.O. Box 5000 Ogdensburg, NY 13669-0430	Within Canada: Office of Agricultural Affairs Embassy of the United States of America P.O. Box 866, Station B Ottawa Ontario
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December, 2011

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Market Sector Reports:

Listed below are the food sector and marketing reports published by the Office of Agricultural Affairs, Ottawa, Canada. For a complete listing of other Post reports and of FAS' worldwide agricultural reporting, visit the FAS GAIN web page at <http://gain.fas.usda.gov>.

CA11068	Food Processing Ingredients Report
CA11067	Marketing Freedom For Grain Farmers Act Becomes Law
CA11065	Exporter Guide
CA11062	Grain and Feed Quarterly
CA11061	Fruit Annual
CA11060	Success Story: U.S. Gourmet Company Tastes Sweet Success in Canadian Market
CA11059	Bill C-18 – Marketing Freedom for Grain Farmers Act
CA11058	Success Story: Hawaii Export International (Coffee)
CA11057	This Week in Canadian Agriculture 21
CA11056	This Week in Canadian Agriculture 20
CA11055	Livestock Annual
CA11053	Potatoes Annual
CA11051	This Week in Canadian Agriculture 19
CA11050	This Week in Canadian Agriculture 18
CA11048	Northern Trends – Fall Edition
CA11047	This Week in Canadian Agriculture 17
CA11046	Poultry Annual
CA11044	Grain and Feed Quarterly
CA11042	This Week in Canadian Agriculture 16
CA11040	This Week in Canadian Agriculture 15
CA11039	Biotechnology Annual
CA11037	This Week in Canadian Agriculture 14

CA11036	Biofuels Annual Report
CA11035	This Week in Canadian Agriculture 13
CA11034	This Week in Canadian Agriculture 12
CA11033	Northern Trends – Spring Edition
CA11032	Top Ten U.S. Fresh Vegetable Exports to Canada
CA11031	This Week in Canadian Agriculture 11
CA11030	This Week in Canadian Agriculture 10
CA11029	Top Ten U.S. Fresh Fruit Exports to Canada
CA11027	This Week in Canadian Agriculture 9
CA11025	Voluntary- 2011 Agent/Broker Directory – Central Canada
CA11024	This Week in Canadian Agriculture 8
CA11023	Voluntary- 2011 Canadian March Planting Intentions
CA11022	American Wines in Canada
CA11020	Meeting Report from the CGC meeting (April 4-5)
CA11019	In a Nutshell: Explaining Dairy Trade Flows Between the United States and Canada (Voluntary)
CA11017	Exporting Alcoholic Beverages into the Canadian Market
CA11016	Actions Taken Regarding Food Imports from Japan
CA11015	Oilseed and Products
CA11014	Grain and Feed Annual
CA11013	This Week in Canadian Agriculture 7
CA11011	Livestock - Semiannual
CA11009	This Week in Canadian Agriculture 6
CA11008	This Week in Canadian Agriculture 5
CA11007	This Week in Canadian Agriculture 4
CA11006	Canada Food Trends – February 2011
CA11005	This Week in Canadian Agriculture 3
CA11004	Grain and Feed
CA11003	This Week in Canadian Agriculture 2
CA11001	This Week in Canadian Agriculture 1